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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/330,446 06/11/99 FORD

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EXAMINER

TM02/1010

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ART UNIT

PAPER NUMBER

2163

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10/10/01

**Please find below and/or attached an Office communication concerning this application or proceeding.**

**Commissioner of Patents and Trademarks**

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# Office Action Summary

Application No.

09/330,446

Applicant(s)

FORD, ROBERT M.

Examiner

Susanna M. Diaz

Art Unit

2163

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 21 June 2001.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 4.
- 4) ☐ Interview Summary (PTO-413) Paper No(s) \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

### **DETAILED ACTION**

1. This office action is responsive to Applicant's amendment filed June 21, 2001.

Claims 1-15 are pending.

2. The previous objection to the abstract is withdrawn.

The previous objection to claim 13 is being withdrawn; however, a new 112, 2<sup>nd</sup> paragraph rejection of claim 13 is discussed below.

New claim objections are found below.

The previous art rejection is withdrawn; however, several new art rejections are presented below.

### ***Claim Objections***

3. Claims 9, 11, and 14 are objected to because of the following informalities:

Claim 9, line 19 of page 16, delete "is"

Claim 11, line 5 of page 17, insert --with-- after "associated"

Claim 14, line 11 of page 19, delete "from"

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

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5. Claim 13 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 13 recites "a customer" in both steps (a) and (d) of the claim; therefore, it is not clear whether or not both references to "a customer" are one and the same customer or two different customers. The problem arises for any references to "said customer" as well. For examination purposes, both references to "a customer" will be interpreted as referring to one and the same customer.

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

7. Claims 1-8 and 12 are rejected under 35 U.S.C. 102(b) as being anticipated by the article "Bidding Strategies that Minimize Risk with Options and Futures Contracts," written by Richter, Jr. et al. (herein referred to as Richter).

Richter discloses a method for managing the sale of a tier-priced commodity comprising the steps of:

[Claim 1] a) determining a first price for a commodity at a first tier (§25: The first price refers to a first bid for the commodity without taking into account any option contracts);

b) determining a second price for said commodity at a second tier (§25: The second price refers to a second bid for the commodity without taking into account any option contracts);

c) determining a third price for a financial instrument designed to indemnify against at least one risk associated with purchasing said commodity at said second tier (§25: The third price refers to the premium price associated with a financial instrument, such as a call or put); and

d) offering said commodity at said second tier for sale at a fourth price; wherein said fourth price is equal to or higher than the sum of said second price and said third price (§15-17: The fourth price is the price at which the commodity will be sold, including the premium for the financial instrument);

[Claim 2] receiving a request from a customer to purchase said commodity for said fourth price and selling said customer said commodity (§15, 16);

[Claim 3] wherein ownership of said financial instrument is not transferred to said customer (§15, 16: E.g., A "put" belongs to the seller of the commodity);

[Claim 4] wherein ownership of said financial instrument is transferred to said customer (§15, 16: E.g., A "call" belongs to the buyer of the commodity);

[Claim 5] wherein said financial instrument is an insurance policy (§15, 16);

[Claim 6] wherein said financial instrument is a hedge contract (§15, 16, 21);

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[Claim 7] wherein said tier-priced commodity is electrical power (§§15, 16);

[Claim 8] wherein said tier-priced commodity is electrical power (§§15, 16).

Richter discloses a system for managing the sale of a tier-priced commodity over a computer network comprising:

[Claim 12] a) a first computer (§§8, 13, 15-17, 21, 25);

b) a second computer connected to said first computer by a computer network (§§8, 13, 15-17, 21, 25);

c) commodity data storage accessible to said second computer comprising at least one tier-priced commodity having at least a first tier and a second tier (§§8, 13, 15-17, 21, 25); and

d) financial instrument data storage accessible to said second computer comprising at least one financial instrument designed to indemnify against at least one risk associated with purchasing said commodity from said second tier (§§8, 13, 15-17, 21, 25).

### ***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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9. Claims 9-11 and 13-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over the article "Bidding Strategies that Minimize Risk with Options and Futures Contracts," written by Richter, Jr. et al. (herein referred to as Richter).

Richter discloses a method for managing the sale of a tier-priced commodity over a computer network comprising the steps of:

[Claim 9] a) communicating to a customer a price for a tier-priced commodity; wherein said commodity has at least a first tier and a second tier in its pricing structure; wherein said second tier has at least one associated risk (§25: The first tier refers to a first bid for the commodity without taking into account any option contracts; The second tier refers to a second bid for the commodity without taking into account any option contracts);

b) receiving a request to purchase said tier-priced commodity on a seller computer connected to said buyer computer via a computer network (§8, 13: The use of agents implies the use of a computer and computer network);

c) selling said tier-priced commodity to said customer (§15, 16); and

d) transferring to said customer the right to receive indemnification against loss due to the at least one associated risk if said commodity sold to said customer is from said second tier (§15, 16);

[Claim 10] wherein said indemnification of a financial instrument designed to protect against loss is associated with interruptions in the delivery of said second tier commodity (§15-17);

[Claim 11] wherein the price of said financial instrument is based upon one or more factors associated with said customer (¶15-17: For example, the price of the financial instrument is based at least on how much electricity a customer desires to purchase and when the customer expects delivery of said electricity).

While Richter does not explicitly disclose the step of displaying to said customer the communicated prices for the various pricing tiers, said prices are communicated to the customer so that the customer can make a decision. Further, the Examiner asserts that it is old and well-known in the art for information to be communicated via a computer and displayed to a customer so that the customer can more effectively analyze and process the transmitted data. Therefore, it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to implement the step of displaying to said customer the various pricing tiers as part of Richter's invention in order to allow a customer to quickly and confidently choose the most cost-effective bid offered to him/her, especially since visual displays typically provide for a more accurate understanding of transmitted data (as opposed to mishearing a number over the phone, for example).

Richter discloses a method for managing the sale of a tier-priced commodity comprising the steps of:

[Claim 13] a) determining a first price for a commodity at a first tier from a first source for a customer (¶8, 13, 15-19, 21, 25);



b) determining a second price for said commodity at a second tier from said first source for said customer (§8, 13, 15-19, 21, 25);

c) determining a third price for a first financial instrument designed to indemnify said customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from said first source (§8, 13, 15-19, 21, 25);

d) determining a fourth price for said commodity at a first tier from a second source for said customer (§8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers);

e) determining a fifth price for said commodity at a second tier from said second source for said customer (§8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers);

f) determining a sixth price for a second financial instrument designed to indemnify said customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from said second source (§8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers).

While Richter does not explicitly disclose the step of displaying to said customer the lowest of said first price, the sum of said second price and said third price, said fourth price and the sum of said fifth price and said sixth price, the Examiner asserts that it is old and well-known in the art for a customer to consider various bids and accept the lowest one. This allows the customer to evaluate the most cost-effective bid available to him/her. Therefore, it would have been obvious to one of ordinary skill in

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the art at the time of Applicant's invention to implement the step of displaying to said customer the lowest of said first price, the sum of said second price and said third price, said fourth price and the sum of said fifth price and said sixth price with Richter's invention in order to allow a customer to quickly and confidently choose the most cost-effective bid offered to him/her.

Richter discloses a method for managing the sale of a tier-priced commodity comprising the steps of:

[Claim 14] a) determining a first price for a commodity at a first tier for a first customer (¶¶8, 13, 15-19, 21, 25);

b) determining a second price for said commodity at a second tier for said first customer (¶¶8, 13, 15-19, 21, 25);

c) determining a third price for a first financial instrument designed to indemnify said first customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier (¶¶8, 13, 15-19, 21, 25);

d) determining a fourth price for said commodity at a first tier for a second customer (¶¶8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers);

e) determining a fifth price for said commodity at a second tier for said second customer (¶¶8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers);

f) determining a sixth price for a second financial instrument designed to indemnify said second customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier (§8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers).

While Richter does not explicitly disclose the step of displaying to said customer the lowest of said first price, the sum of said second price and said third price, said fourth price and the sum of said fifth price and said sixth price, the Examiner asserts that it is old and well-known in the art for each of a group of customers to consider various bids and accept the lowest one. This allows each customer to evaluate the most cost-effective bid available to him/her. Therefore, it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to implement the step of displaying to said first customer the lowest of said first price, the sum of said second price and said third price and displaying to said second customer the lowest of said fourth price and the sum of said fifth price and said sixth price in order to allow each customer to evaluate the most cost-effective bid available to him/her.

Richter discloses a method for managing the sale of a tier-priced commodity comprising the steps of:

[Claim 15] a) displaying to a first bidder a first price for a commodity and a first financial instrument designed to indemnify said first bidder against loss associated with at least one risk associated with the purchase of said commodity (§8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers);

b) displaying to a second bidder a second price for a commodity and a second financial instrument designed to indemnify said second bidder against loss associated with at least one risk associated with the purchase of said commodity (§8, 13, 15-19, 21; 25: There are multiple bids and offers occurring among multiple buyers and sellers);

c) receiving bids for said commodity from said first bidder and said second bidder (§8, 13, 15-19, 21, 25: There are multiple bids and offers occurring among multiple buyers and sellers).

While Richter does not explicitly disclose the step of selling said commodity and transferring a right to collect against said first financial instrument to said first bidder if said first bidder exceeds said first price by a greater amount than said second bidder exceeds said second price or selling said commodity and transferring a right to collect against said second financial instrument to said second bidder if said second bidder exceeds said second price by a greater amount than said first bidder exceeds said first price, the Examiner asserts that it is old and well-known in the art for a seller to award a bid to the buyer offering the most profitable bid contract terms for the seller. Therefore, it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to implement the step of selling said commodity and transferring a right to collect against said first financial instrument to said first bidder if said first bidder exceeds said first price by a greater amount than said second bidder exceeds said second price or selling said commodity and transferring a right to collect against said second financial instrument to said second bidder if said second bidder exceeds said second price by a greater amount than said first bidder exceeds said first price with

Richter's invention in order to enable the seller to choose the most profitable bid contract terms offered to him/her from among a group of buyers.

### ***Conclusion***

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.


The Examiner has provided definitions for the following terms (pertinent to the art rejection above), copied from the Dictionary of Finance and Investment Terms: call option, hedge/hedging, option, and put option.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (703) 305-1337. The examiner can normally be reached on Monday-Thursday, 5:30 am - 4 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz can be reached on (703) 305-9643. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 746-7239 for Official communications, (703) 746-7240 for Non-Official communications, and (703) 746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900 or to the Customer Service Office on (703) 306-5631.

SMD  
October 4, 2001

  
Kyle Choi  
Patent Examiner  
Art Unit 2163